

I. INTRODUCTION

A. Purpose

To promote adoption and provide financial assistance to state employees who adopt a child.

B. 101 KAR 2:120

Section 2. Adoption Benefit Program.

- (1) The Personnel Cabinet shall administer a program to provide financial assistance as an incentive to a state employee in the executive branch who adopts a child on or after November 1, 1998.
- (2) A state employee who finalizes a legal adoption procedure for the adoption of a child, other than the child of a spouse, on or after November 1, 1998, shall be eligible to receive reimbursement for actual costs associated with the adoption of a special needs child as defined by KRS 199.555(1), or other child. Funding for this program shall be limited to \$150,000 in a fiscal year.
- (3) The employee shall receive:
 - (a) Up to \$5,000 in unreimbursed direct costs related to the adoption of a special needs child; or
 - (b) Up to \$3,000 in unreimbursed direct costs related to the adoption of another child.
- (4) Unreimbursed direct costs related to the adoption of a special needs child or other child shall include:
 - (a) Licensed adoption agency fees;
 - (b) Legal fees;
 - (c) Medical costs;
 - (d) Court costs; and
 - (e) Other reasonable fees or costs associated with child adoption as allowed by state and federal law and reviewed and approved by the court at the time of finalization of the adoption.
- (5) Application for financial assistance shall be made by submitting a completed State Employee Adoption Assistance Application to the Secretary of Personnel and supported by documentary evidence of:

- (a) Finalization of the adoption;
 - (b) Certification by the Secretary of the Cabinet for Families and Children that the adopted child is a special needs child, if reimbursement for special needs adoption is sought; and
 - (c) A copy of an affidavit of expenses related to the adoption filed with and approved by the court at the time of finalization of the adoption.
- (6) If both adoptive parents are executive branch state employees, the application for financial assistance shall be made jointly and the amount of reimbursement shall be limited to that specified in subsection (3) of this section.
- (7) Upon approval of the application for financial assistance, the employee's agency shall disburse funds in the amount authorized by the Secretary of Personnel, if the amount available for the program has not been exhausted.

C. Payment

Pursuant to Personnel Memo 99-11, payments for adoption assistance are subject to FICA withholding. Therefore, all payments must be issued through the state payroll system. All payments will come from agency funds.

D. Definition

'Special Needs Child' is defined by KRS 199.555(1) as:

- (a) A child which the state has determined cannot or should not be returned to the home of the child's parents; and
- (b) A child which the state has first determined:
 - 1. That there exists a specific factor or condition the existence of which leads to the reasonable conclusion that the child cannot be placed with adoptive parents without providing adoptive assistance under this section or medical assistance under Title XIX; and
 - 2. That except where it would be against the best interest of the child because of such factors as the existence of significant emotional ties with prospective adoptive parents while in the care of these parents as a foster child, a reasonable, but unsuccessful, effort has been made to place the child with appropriate adoptive parents without providing adoption assistance under this section or medical assistance under Title XIX.